

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fremont Bancorporation and Fremont Bank

Point of Contact:	Ronald J. Wagner	RSSD: (For Bank Holding Companies)	1026801
UST Sequence Number:	1242	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	35,000,000	FDIC Certificate Number: (For Depository Institutions)	19222
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	June 26, 2009	City:	Fremont
Date Repaid ¹ :	N/A	State:	California

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

X Increase lending or reduce lending less than otherwise would have occurred.

The \$16 million of funds invested in Fremont Bank supported a strong residential lending business in 2010. Fremont Bank originated \$4.6 billion of residential mortgage loans in 2010, of which most were sold in the secondary market. The sale of mortgage loans generated \$56 million of gains on loan sales and security sales in 2010.

X To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

A total of \$172 million of residential mortgage loans were originated for the Bank's portfolio. This resulted in an increase in residential mortgage loans on the balance sheet of \$89 million to \$324 million at December 31, 2010, excluding loans held for sale.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fremont Bancorporation and Fremont Bank

☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fremont Bancorporation and Fremont Bank

☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

Of the total \$35 million in funds received by Fremont Bancorporation, \$16 million were invested in Fremont Bank. The remaining funds of \$19 million were held as a non-leveraged increase to total capital.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fremont Bancorporation and Fremont Bank

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

In the midst of the "Financial Crisis" when it was difficult to know just how bad the economy was going to get, the CPP funds gave Fremont Bancorporation and its wholly-owned subsidiary Fremont Bank an extra layer of capital protection.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fremont Bancorporation and Fremont Bank

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

None.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fremont Bancorporation and Fremont Bank

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

None.